broadcasters, they are nonprofit, nonprofitable, or only marginally profitable, serve small rural communities, and are supported financially by the residents of the communities served. We are aware of the difficulties these Translators have in paying even minimal regulatory fees, and we will address those concerns in the ruling on reconsideration of the FY 1994 Order.

67. The revenue requirement for this service category is $1,210,400. Our estimated payment units is 7,120 licenses, including licenses covering FM translators. Dividing the revenue requirement for this category by its estimated payment units results in a fee of $170 per license. Thus, for FY 1995, we assess licensees of Low Power Television Stations and licensees of both FM and TV Translators and Boosters an annual regulatory fee of $170 for each license held. We are making no changes to the rules for calculating and submitting regulatory fee payments by licensees in this service category. See Guidelines, Appendix H at ¶24.

j. Broadcast Auxiliary Stations

68. This category includes licensees of Remote Pickup Stations, Aural Broadcast Auxiliary Stations, Television Broadcast Auxiliary Stations, and Low Power Auxiliary Stations, authorized under Part 74 of the Commission's Rules. Auxiliary stations are generally associated with a particular Television or Radio Broadcast Station or Cable Television System.

69. The FY 1995 revenue requirement for this category is $900,000. We have revised estimated payment units to 30,000 licenses based upon a review of our license records. Dividing the category's revenue requirement by its estimated payment units results in a fee of $30 per license. Thus, we are assessing licensees of Commercial Auxiliary Stations a $30 annual regulatory fee for FY 1995 on a per call sign basis. We are making no changes to the rules for calculating or submitting regulatory fee payments by licensees of facilities in this service category. See Guidelines, Appendix H at ¶25.

k. International HF Broadcast (Short Wave)

70. This category covers International HF Broadcast Stations licensed under Part 73 of the Commission's Rules to operate on a frequency in the 5,950 Khz to 26,100 Khz range to provide service to the general public in foreign countries. The proposed fees for International HF Broadcast are set forth in the International Service category in the FY 1995 fee schedule.

71. For FY 1995, the revenue requirement for this category is $4,750. Payment units are estimated to be 19 short wave licenses. Dividing the category's revenue requirement by its estimated payment units results in a fee of $250 per license.

See Appendix E. Thus, for FY 1995, we are assessing an annual regulatory fee of $250 per station license. We are making no changes to the rules for calculating and submitting fees by licensees of facilities in this service category. See Guidelines, Appendix H at ¶26.

4. Cable Services

a. Cable Television Systems

72. This category includes operators of Cable Television Systems, as that term is defined in Section 76.5 of the Commission's Rules, providing or distributing programming or other services to subscribers under Part 76 of the Commission's Rules.

73. The National Cable Television Association (NCTA), the Small Cable Business Association (SCBA), and the Cable Telecommunications Association contend that our allocation of full-time equivalents (FTEs) to cable television is unsupported and is unduly high. SCBA urges us to exempt small systems from payment of regulatory fees. Finally, NCTA and SCBA contend that we have understated the number of payment units, i.e., cable television subscribers, subject to the fee.

74. We have addressed in paras. 11 through 26 our allocation of FTEs. Therefore, no further discussion of this issue is required here. Further, we find that the Regulatory Fee Schedule adequately considers the financial circumstances of small cable systems by basing the fee payment for cable systems on their number of subscribers so that payments by cable systems reflect their relative size and their relative benefits from our regulation. We have divided the cable system revenue requirement of $29,400,000 by our estimate of 60,000,000 payment units to derive the FY 1995 fee for cable systems of $.49 per subscriber. See Appendix F. Therefore, we are assessing a fee of $.49 per cable television subscriber.[20]

75. Payments for cable systems are to be made on a per subscriber basis by community unit determined as of December 31, 1994 as reported on each cable systems's 1994 Annual Report of Cable Systems (FCC Form 325). We are making no change in the rules for calculating or submitting regulatory fees by cable system operators. See Appendix F for a description of the development

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[20] Consistent with our earlier interpretation of congressional intent, we require payment of the cable system regulatory fees on a per subscriber basis rather than per 1,000 subscribers as set forth in the statutory Regulatory Fee Schedule. See FY 1994 Order at para. 100.

of the fee for cable systems, See also, Guidelines, Appendix H at ¶27.

b. Cable Antenna Relay Service

76. This category includes Cable Television Relay Service (CARS) Stations authorized under Part 78 of the Commission's Rules. These stations transmit television and related audio signals, signals of AM and FM broadcast stations and cablecasting from the point of reception to a terminal point from which the signals are distributed to the public by a cable television system.

77. SCBA contends that the CARS fee is out of proportion to the benefits received from our regulation of these facilities. Since SCBA has provided no support for its argument, we will give no consideration to an adjustment of the CARS fee. Further, we reject the argument of SCBA that we should exempt small cable systems from the CARS fee. SCBA has not demonstrated that the fee is unreasonable or that small cable systems receive any less benefit from our regulation than other cable systems.

78. Our FY 1995 revenue requirement for CARS is $603,780 and our estimated payment units are 2,082 licenses. Dividing the revised revenue requirement for CARS by our estimated payment units results in a fee of $290 per license. See Appendix F. Thus, for FY 1995, we are assessing a $290 regulatory fee per CARS license. We are making no change to the rules for calculating and submitting regulatory fees by CARS licensees. See Appendix F for a description of the development of the fee for CARS. See also, Guidelines, Appendix H at ¶29.

5. Common Carrier Services

79. We have received numerous comments from providers of Common Carrier Services objecting to the amount of the fees proposed for their particular categories of service. Several of these parties complain that the FTEs assigned to the Common Carrier category and the costs apportioned to their particular service category are unduly high, and that the Notice miscalculated the estimated payment units for their services. We have discussed our FTE allocations, cost allocations and unit estimates in paragraphs 8 through 23. We will, however, address issues related to cost allocation and payment units where the arguments presented have not been previously considered. See Appendix G for a description of the development of the fee for services within the Common Carrier category.

80. The Commission is exercising its authority pursuant to Section 9(b)(3) in order to revise the fees associated with regulation by the International Bureau. Numerous commenters have expressed concern that the proposed fees would not be representative of the costs associated with the regulatory

activities of the International Bureau, nor would the proposed fees reflect the benefits provided to the payers of the proposed fees.

81. Section 9(b)(3) provides the Commission authority to adjust the Schedule of Regulatory Fees provided the following two conditions are met: (1) the Commission determines that the Schedule requires amendment to comply with the requirements of paragraph (1)(A), which states, "The fees assessed under subsection (a) shall be derived by determining the full-time equivalent number of employees performing the activities described in subsection (a) within the Private Radio Bureau, Mass Media Bureau, Common Carrier Bureau, and other offices of the Commission...," and (2) the basis for changing or reclassifying services in the Schedule reflects additions, deletions, or changes in the nature of its services as a consequence of Commission rulemaking proceedings or changes in law.

82. The Commission has determined that the reorganization establishing the International Bureau satisfies both of the requirements described above. Specifically, the reorganization was a Commission rulemaking proceeding, as defined in 47 CFR 1.412(b)(5), which resulted in the Commission being able to determine the full-time equivalent number of employees performing regulatory fee-based activities in the International Bureau.

83. Specifically, the Commission will adjust the Common Carrier Fee category so that the total collected from the individual services associated with International Bureau fees[21] totals approximately $8.3 million, which is the estimated regulatory cost associated with the International Bureau.[22] The revisions to the Common Carrier fee category have been made by reallocating the difference between what would have been collected under the International Bureau fees proposed in the Notice and $8.3 million to all remaining services in the Common Carrier fee category on a proportional basis.

a. Public Mobile/Cellular Radio Services

84. Fees for the Public Mobile and Cellular Radio Services are set forth in the FY 1995 Regulatory Fee Schedule within the Wireless Radio service category. These services include common

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[21] Specifically: International Circuits, Space Stations, Earth Stations and International Public Fixed Radio Stations.

[22] There are 72 FTEs within the International Bureau that are directly associated with regulatory fee activities. To this number we have added an additional 40%, or 28 FTEs, for the indirect support FTEs as explained in paragraph 8. The resulting cost is $8.3 million (100 FTEs multiplied by $83,000 per FTE).

carriers and others (e.g., cellular radio licensees) offering a wide variety of land-based or air-to-ground mobile telephone, paging or data transmission services to the public, under Parts 22 and 24 of the Commission's Rules. Licensees include those using radio to provide telephone services at fixed locations, such as Basic Exchange Telecommunications Radio Services, Rural Radio and Offshore Radio.

85. In the Notice, we proposed to assess a fee for this service category based upon the total number of telephone numbers or call signs that a licensee provides to its customers. The Regulatory Fee Schedule assessed the fee based on the number of a licensee's subscribers. Reliance on a subscriber count, however, does not fully reflect the benefit of our regulation i.e., usage of channel capacity, because individual subscribers vary in the number of mobile units or telephone numbers utilized. In order to assure that all cellular/mobile units in operation are, in fact, assessable as customers, we are revising our fee structure to assess the fee based on mobile units or telephone numbers provided by a licensee as a more equitable payment formulation because it better reflects actual usage of our frequency assignments and related benefits of our regulation. Therefore, for FY 1995, we amend our Regulatory Fee Schedule so that each cellular licensee will pay an annual fee based on the number of telephone numbers provided, and each licensee in the Public Mobile Radio Service pays an annual regulatory fee for each mobile unit, including paging units, assigned to its customers, including resellers of its services.

86. A number of commenters[23] argue that our proposal to base the fees on units (telephone numbers or mobile units) rather than subscribers is inconsistent with the Regulatory Fee Schedule developed by Congress. They assert that the change to units is not an adjustment permitted under Section 9(b)(2) or a change pursuant to law or regulation as required by Section 9(a)(3).

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[23] See comments filed by Personal Communications Industry Association (PCIA), Alltel Mobile Communications and Alltel Services Corporation (Alltel), Frontier Cellular Holding, Inc. (Frontier), Mobilmedia Communications, Inc., Vanguard Cellular Systems (Vanguard), Arch Communications Group, and Metrocall, Inc. Vanguard also argues that the computation of the regulatory fee based on units could result in disclosure of commercially sensitive information. To date we have not had FOIA or other requests for access to the information submitted by cellular/mobile carriers with their fee proposals. However, any carrier concerned that the information submitted may be used to its detriment, can request that the Commission protect its submission from routine disclosure to the public.

87. Congress, however, has authorized the Commission to modify the Regulatory Fee Schedule to ensure that the fees are reasonably related to the benefits of the Commission's regulatory activities. See 47 U.S.C. § 159(b)(1)(A). Under Section 9, "the Commission is required to adjust the fees to reflect proportionate changes in its appropriations, and is permitted through a rule making, to make changes to the Regulatory Fee Schedule, including adding, deleting or reclassifying services when the Commission determines that such changes are necessary to ensure such fees are reasonably related to the benefits provided to the payor of the fee by the Commission's activities." Conference Report H. Rept. No. 213, 103d Cong., 1st Sess. 1188 (1993). Thus, Congress intended that we modify the fee structure in instances where we find that a revision to the Regulatory Fee Schedule better reflects the relative benefits licensees receive from our regulatory activities and achieves a more equitable distribution of the fee burden. We find that assessing fees on the basis of mobile units or telephone numbers, equitably reflects the actual benefit received from the Commission's regulation.

88. Alltel argues the Commission should modify the date for determining fees so that the burden of the fees would be shared by new service providers. It asserts that equity requires that the fee burden be shared by licensees authorized during the year.

89. We recognize that Alltel's suggestion would distribute the fee burden among additional service providers. However, such a system would be difficult to administer and lead to confusion because regulatees are directed to count payment units as of a date certain, and as new regulatees are authorized, would involve utilization of different dates for computing fees for different licensees. Moreover, we do not believe that a calculation date later in the fiscal year would significantly affect the amounts of the fee payments that we are adopting since many new service providers subject to the fee would be in an early start-up phase of their operations and existing providers would have accounted for substantially all their units of payment under the calculation date that we have proposed. In the FY 1994 Order, establishing December 31 as the calculation date for regulatees paying fees based upon subscriber lines or circuits, we noted that many regulatees file reports based upon information collected as of that date. 9 FCC Rcd at 5365-66 ¶ 96. In other instances, regulatees calculate subscriber counts as of that date for internal purposes. Reliance on December 31 as a date certain for calculating fees facilitates both the computation of fee payments and our verification that the correct fee payments are submitted. 9 FCC Rcd at 5350, ¶¶ 48-49. Further, since our regulatory fee program is ongoing, new carriers will be subject to payment of fees in the next fiscal year. Thus, we have decided to adopt December 31, 1994, as the date for calculation of fee payments for all mobile regulatees.

90. Frontier and Alltel also argue that cellular and paging licensees are being treated differently from carriers using the interstate network. Frontier asserts that cellular resellers are exempt from the regulatory fee and that this places an unfair burden on facilities-based carriers who must pay for regulatory activities benefitting resellers of mobile services. Also, these parties contend that our treatment of mobile resellers is inconsistent with our proposal to include resellers of interstate services in the fee schedule.

91. We recognize that the fees for mobile service providers are assessed in a manner different from the fee for users of the interstate network and that we are including resellers of interstate services directly in the fee schedule, but not resellers of mobile services. We also recognize that there are substantial equity issues that must be addressed before assessing resellers a fee, in order to protect them from having their mobile units or telephone numbers double counted. For non-mobile common carriers we are adopting a proposal to assess fees on the basis of gross revenues, and we are protecting resellers from double payments by permitting them to deduct from their gross revenues the payments made to facilities based carriers. In the case of mobile resellers, we do not have the data necessary to structure a fee schedule on the basis of gross revenues or in a manner which would protect mobile resellers from double payments. However, by revising the Regulatory Fee Schedule to require a fee payment for every mobile unit or telephone number made available by a licensee to a third party, we will collect a fee for each unit made available to a licensee's customers, including resellers. Moreover, to the extent that the regulatory fees are included in the carriers' charges to the resellers, the resellers will be sharing in the regulatory burden.

92. A number of mobile regulatees also assert that their fees are increasing at a disproportionate rate because of the increase in the per unit rate and because of the change in counting from subscribers to mobile units or telephone numbers used. Our modification of the methodology for computing fees was required because reliance on a subscriber count does not fully reflect actual usage of the frequencies we have authorized mobile providers to operate. For FY 1994, regulatees often paid only a nominal $.06 fee for a single subscriber even though that subscriber may have subscribed to numerous mobile units or telephone numbers. Thus, as a result of the fee methodology, fee payments did not necessarily reflect the direct benefit of our regulation to individual licensees. For those regulatees whose fees reflected actual usage, the modification in counting units will not result in a significant increase in fees. However, the fact that other regulatees may be subjected to larger increases is only a reflection of the fact that their prior fees did not reflect the benefits they received and does not establish that

they are being subjected to an unwarranted or disproportionate increase in fees.

93. Several parties, including PCIA, Mobile Media Communications, and Airtouch Paging, requested that the Commission establish a separate and lower fee category for regulatees offering one-way paging services. We have reviewed these requests and determined that a reduced fee for Part 22 one-way pagers is appropriate in view of the quality of the channels afforded paging entities versus cellular providers. Pagers are authorized only to transmit one-way data messages whereas cellular providers operate systems providing two-way voice communications. We are also aware that the paging industry is very competitive and generally has low profit margins compared to the cellular industry and to other public mobile services. We have therefore established a reduced annual fee of $ .02 per pager for FY 1995. This permitted amendment should provide an equitable cost allocation among cellular and other public mobile licensees and paging licensees based upon their relative market pricing structures while minimizing any adverse impact on the one-way paging industry.

94. Our revenue requirement for FY 1995 for Cellular and Other Public Mobile (non-one way paging) carriers is $3,510,000. The revenue requirement for Public Mobile One Way Pagers is $392,000. Based on the comments of parties, we have also revised the estimated payment units for these services to 19.6 million one way pagers and 23.4 million Cellular/Other Public Mobile units. Dividing the revenue requirement for Cellular/Other Public Mobile by its estimated units results in an annual regulatory fee of $.15 per payment unit.[24] Thus, we will assess a fee of $.15 per mobile unit or telephone number in this service. For one way

[24] As we decided in our FY 1994 Order, we require licensees in the Air-Ground Radiotelephone Service to pay their fee based upon their number of transceivers leased for operation in aircraft.

pagers the resulting fee is $.02 per pager.[25] [26] See Guidelines, Appendix H at ¶¶30-33.

b. Domestic Public Fixed Radio Service

95. The Domestic Public Fixed Radio Service includes stations authorized under Part 21 of the Commission's Rules to use microwave frequencies for video and data distribution within the United States. This category includes licensees in the Point-to-Point Microwave Radio Service, Local Television Transmission Radio Service, Digital Electronic Message Service, Multipoint Distribution Service (MDS), and Multichannel Multipoint Distribution Service (MMDS).[27] We received no comments related to the proposed fee.

96. The FY 1995 revenue requirement for this service is $1,960,000, and the payment units are estimated to be 14,000 licenses. Therefore, we will adopt for Domestic Public Fixed Radio Service licensees a $140 annual regulatory fee per call sign payable on a specified date to be announced by the

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[25] PCIA notes that the fees for several categories of service proposed in the Notice were the same and questions whether the then-proposed fees were developed pursuant to the statutory scheme or whether the Commission decided on the amount of the fee without regard to Section 9's methodology for developing the fees. Plainly, an examination of the methodology used to calculate the mandatory adjustments required by Section 9 reveals that when fee amounts within the same fee category (e.g., Common Carrier) are pro-rated upward or downward, the existing relationship between each fee is retained. Therefore, two fee amounts within the same fee category having the same dollar value would both have similar values after the pro-rata mandatory adjustment is made.

[26] We will incorporate into our fee payment procedures the substance of Public Notice No. 43189, Paying Regulatory Fees (July 8, 1994), requiring public mobile providers to list all their call signs on the Form 159/159C and to distribute their total number of mobile units for each call signs in one of the following ways: 1) allocate one mobile unit for every call sign, except one, and allocate the remainder of mobile units to the remaining call sign; or 2) determine the average number of mobile units per call sign and use this number of mobile units for each call sign. The filer is responsible for documenting its fee payment.

[27] MDS and MMDS are now regulated by the Mass Media Bureau and, therefore, the regulatory fees for these services are shown within the Mass Media category in the FY 1995 fee schedule. See Appendix B.

Commission. Moreover, in response to Southwestern Bell Corporation's request, we will modify our fee payment procedures to permit licensees in the Public Fixed Radio Service to file a single Form 159 stating their number of call signs and the total fee amount with an attached listing of each call sign covered by the fee payment. Licensees with up to 100 call signs may submit a hard copy list with their Form 159. However, we require licensees with greater than 100 call signs to file a data diskette containing their listing of call signs along with a hardcopy Form 159. We are adopting no other change to the rules for calculation and submission of the fee payment by licensees in the Domestic Public Fixed Radio Services. See Guidelines, Appendix H at ¶34.

c. International Public Fixed Radio Service

97. The International Public Fixed Radio Service (IPFRS) is set forth in the FY 1995 Regulatory Fee Schedule within the International fee category. It includes common carriers authorized under Part 23 of the Commission's Rules to provide radio communications between the United States and a foreign point via microwave or H troposcatter systems, other than satellites and satellite earth stations, but not including service between the United States and Mexico and the United States and Canada using frequencies above 72 MHz. The FY 1995 revenue requirement for this service is $4,000, and the payment units are estimated to be 20 licenses. Thus, we are adopting a regulatory fee for IPFRS licensees of $200 per call sign. We are proposing no change to the rules for calculating and submitting fees by licensees in the International Public Fixed Radio Services. See Guidelines, Appendix H at ¶35.

d. Earth Stations

98. Earth stations are set forth in the FY 1995 Regulatory Fee Schedule within the International fee category. The earth station category encompasses all domestic and international earth station facilities authorized or registered under Part 25 of the Commission's rules. These facilities include transmit/receive, transmit-only, and receive-only earth stations; Very Small Aperture Terminals (VSATs) operating in the 12/14 GHz frequency bands; Mobile Satellite Earth stations; and equivalent C-band antennas operating in the 4/6 GHz frequency bands authorized pursuant to blanket authority.

99. In Section 9's Schedule of Regulatory Fees, these facilities were grouped into several categories. Within these categories, some fees were assessed on a per meter basis; other fees were assessed on a per 100 antennas basis. For example, in our FY 1994 Order, we adopted the Regulatory Fee Schedule's requirement that a higher fee be assessed for fixed satellite earth station antennas of 9 meters or more than for those less than 9 meters.

This distinction resulted in the anomaly that antennas performing the same function were subjected to different fees, a fee several thousand percent higher for large earth stations than for small earth stations. To rectify this disparity, we proposed in the Notice to exercise our permitted authority to eliminate the dual fee levels for these earth stations. Therefore, we proposed that any earth station antenna in this service category be charged a fee based upon its size as measured in meters in order to eliminate the disparity in fees under the former schedule and to assure that smaller antennas would continue to be subject to a smaller fee requirement than larger antennas.

100. EDS Corporation argues that their small transmit/receive and transmit only earth stations should continue to be assessed fees similar to those charged for earth stations in VSAT networks (a per antenna fee), as Congress prescribed in its fee schedule, instead of fees similar to those for larger transmit/receive, transmit only earth stations (a per antenna-meter fee), as proposed in the Notice. EDS contends that since the enactment of Section 9, no change in the regulation of small transmit/receive and transmit only earth stations has taken place that would justify a revision in the manner in which its fees are assessed. In addition, COMSAT Video contends that C-band transmit/receive and transmit only earth stations should be assessed fees distinct from the fees assessed for Ku-band transmit/receive and transmit only earth stations. COMSAT Video questions our estimated payment unit estimates for transmit-receive and receive only earth stations.

101. We reject EDS's argument that we lack the authority to revise the Regulatory Fee Schedule. As noted, Congress specifically provided that we were to adjust the fees to ensure that they are reasonably related to the benefits received. 9 U.S.C. 159(b)(1)(A). We conclude that we cannot find sufficient difference in our regulation of earth stations (regardless of size or intended use) to warrant establishing separate fees for these facilities.

102. For FY 1995, we proposed to modify the Regulatory Fee Schedule for receive-only earth stations by assessing the fee on a per meter basis, in the amount of $120 per meter, regardless of whether a facility was more or less than 9 meters in diameter.

103. The Associated Press (AP) the National Cable Television Association (NCTA), the Cable Telecommunications Association (CATA), Joint Cable Commenters[28] and the Wireless Cable Industry Association (WCIA) object to the substantial increase in fees

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[28] The Cable Industries Corp., Multimedia Cablevision, Inc., Providence Journal Company, and Star Cable Associates jointly filed comments.

proposed for receive only earth stations of less than 9 meters. NCTA and the Joint Commenters contend that the proposed fee would amount to as much as a 10,000 percent increase for receive only earth stations smaller than 9 meters in diameter. CATA and WCIA claim that the burden of the increase would fall upon small cable and wireless cable operators in rural areas, unable to share earth stations among systems. Further, CATA and WCIA argue that Congress distinguished between the fees for large and small receive only earth stations in order not to overburden cable and wireless entities.

104. NCTA argues that the assessment for small receive only earth stations is not substantiated by a description of how the assessment was developed. GE American states that our unit estimate for receive only earth stations is low. Further, AP, CATA and NCTA contend that our deregulation of receive only earth stations and, in particular, our policy to permit operators to decide individually whether to register their facilities for interference protection, demonstrates that only a minimal degree of our regulatory activities are involved with regulation of receive only earth stations.

105. In view of the comments received, we have reevaluated our proposed fee for receive only earth stations. We are aware that our regulatory requirements for these facilities have been substantially modified in recent years, notwithstanding the inclusion of receive only earth stations in Section 9(g)'s fee schedule. In particular, we recognize that domestic receive only earth stations are no longer subject to licensing. (International receive only earth stations are currently licensed). Rather, operators of receive only earth stations may register these facilities with us in order to obtain interference protection and other benefits. Further, our review of the resource burden of providing interference protection to receive only earth stations demonstrates to us that regulation of these facilities accounts for an insignificant portion of the costs attributable to these activities. Therefore, we have decided to exercise our authority to make "permitted amendments" and to delete receive only earth stations as a service subject to a regulatory fee requirement for FY 1995. See 47 U.S.C. § 159(b)(3). Therefore, we will assess no fee for receive only earth stations.

106. In addition, we have reviewed the fee structure in effect in FY 1994 for earth stations and conclude that the current structure is not the most equitable for regulatory fee purposes. As noted, all satellite earth stations require a certain amount of regulatory activity. Commenters have focused on individual elements of our regulatory activities in arguing against the changes in fees for particular types of earth stations. For example, certain classes of earth stations require more international activity than others (i.e., coordination and consultation); other classes of earth stations require more

rulemaking and enforcement activity than others (i.e., zoning related matters). Since we do not yet have a cost accounting system capable of assigning the cost of specific regulatory activities to specific classes of earth stations, we find that assessing the fee on a per authorization or registration basis, rather than a per meter or 100 antennas basis is the most equitable method of allocating the regulatory costs assigned to satellite earth stations. Moreover, we find no reasonable basis for charging a per meter fee when it appears that the regulatory costs associated with a five or nine meter antenna are similar and the benefits to the payer are no less at five meters than at nine meters. Consequently, we are eliminating the size distinctions and assessing fees on a per authorization or registration basis.[29]

107. Accordingly, we have revised our estimate of the number of payment units to conform to the number of authorizations or registrations contained in this service category (includes VSATs, mobile equivalents, transmit/receive and transmit only earth stations). As of October 1, 1994, 3,378 authorizations and registrations had been issued. The FY 1995 revenue requirement attributable to all earth stations is $1,114,740. Dividing the revenue requirement by our estimate of 3,378 earth stations results in a fee of $330 per authorization or registration. See Appendix G.

e. Space Stations (Geosynchronous)

108. Geosynchronous space stations are domestic and international satellites positioned in orbit to remain fixed relative to the earth. They are authorized under Part 25 of the Commission's Rules to provide communications between satellites and earth stations on a common carrier and/or private carrier basis.

109. In addition to issues addressed above relating to FTEs, the satellite parties raise several issues in opposing our proposed space segment fees. Columbia and Panamsat, supported by GE Americom, argue that Comsat is obligated to pay space segment fees for its Intelsat and Inmarsat satellites in addition to the fees it pays for its domestic satellites. Also, Columbia and Panamsat argue that we should base our space segment fee on the number of transponders operated by a licensee rather than its number of operational satellites because transponder usage and bandwidth capacity more rationally reflect the benefits that licensees receive from our regulation. Finally, these parties

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[29] An "authorization" is defined on a per call sign basis. A single call sign may either authorize one earth station antenna, or may provide a "blanket authorization" covering several earth station antennas.

argue that the number of satellites in operation as of October 1, 1994, the date for calculating fees, is higher than the estimated number of satellites we used to calculate the per satellite fee.

110. We reject the parties' contention that Comsat General must pay fees on a per space station basis for the Intelsat and Inmarsat satellites that it manages. Section 9's legislative history discloses that Congress intended that Comsat General would be subject to a space segment fee only for its licensed operations. Specifically, Congress stated with respect to space station fees that:

> the Committee intends that fees in this category be assessed on operators of U.S. facilities, consistent with FCC jurisdiction. Therefore, these fees will only apply to space stations directly licensed by the Commission under Title III of the Communications Act. Fees will not be applied to space stations operated by international organizations subject to the International Organization Immunities Act, 22 U.S.C. Section 288 et seq.[30]

This language was incorporated by reference in the Conference Report accompanying the 1994 Budget Reconciliation Act, which included the regulatory fee program.[31] Thus Congress did not intend for the Commission to assess a fee per space station for the space segment facilities of Intelsat and Inmarsat. Therefore, we will not require Comsat General to submit fee payments for their satellites. For FY 1996, however, we intend to explore other ways to recover the regulatory costs imposed on the Commission on behalf of Comsat's participation in the Intelsat and Inmarsat programs.

111. Further, we reject the parties' arguments that we should base the space segment fee on transponders aboard operational satellites rather than on the number of operational satellites. Our calculation of fees using space segments rather than transponders is reasonable and reflects Congress' decision to assess satellite fees based on operational satellites. Moreover, Panamsat has provided us with no demonstrable evidence that the costs of regulating the various satellite systems is more closely

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[30] H.R. Rep. No. 102-207, 102d Cong., 1st Sess. 26. Both Intelsat and Inmarsat are subject to the International Organizations Immunities Act. See Exec. Order No. 11,996, 42 Fed. Reg. 4331 (1977); Exec. Order No. 12,238, 45 Fed. Reg. 60,877 (1980).

[31] Conference Report H. Rept. No. 213, 103d Cong., 1st Sess. 499 (1993).

related to the number of transponders that a satellite carries than to the total number of operational satellites. Nor has Panamsat considered the administrative burden of its proposed fee structure on regulatees subject to the fee and upon our own resources. Because the cost of satellite regulatory activities is reasonably related to the number of operational satellites, we find no basis for modifying our reliance on space stations as payment units.

112. COMSAT General contends that the proposed fee is contrary to the public interest because it will discourage maintenance of older satellites even though they may remain viable providers of low-cost, full time and occasional use commercial services. COMSAT General further contends that the proposed fee will discourage competitive discounting or exploitation of innovative satellite technologies and is harmful to consumers of satellite services, particularly start-up and small businesses, because it results in higher prices for services.

113. We reject Comsat General's contention that our fees may have an adverse impact on innovation in the satellite and other industries by precluding the use of older satellites. Newer satellites offer the public access to faster, more efficient, and more advanced telecommunications services. Providing an incentive to maintain older, less efficient satellites may have a negative impact on the end users of satellite services. Newer satellites are available to perform any service that Comsat general may have intended for older generation satellites. Although Comsat General states that older satellites "may remain viable as providers of low-cost providers of full time and occasional use commercial services", they provide us no documentation that the cost per user to lease capacity on an older satellite is lower than the cost to lease capacity on a newer, high capacity satellite that can serve more customers.

114. Finally, several satellite parties contend that our estimate of payment units for the satellite fee is flawed because we did not calculate the number of satellites in operation on October 1, 1994, the date for the calculation of fees. We have reviewed our records and find that 39 satellites were operational on October 1, 1994. The revenue requirement for regulation of satellites is $2,925,000. Dividing this by 39 operational satellites yields a fee of $75,000. See Guidelines, Appendix H at ¶40.

f. International Bearer Circuits

115. Regulatory fees for international bearer circuits are set forth in the International Service category in the FY 1995 Regulatory Fee Schedule. The fee proposed in the Notice is to be paid by the facilities-based common carrier activating the circuit in any transmission facility for the provision of service

to an end user or resale carrier. Also as proposed in the Notice, we are modifying our requirements for payment of the fee for bearer circuits by private submarine cable operators to require that they pay fees for circuits sold on an indefeasible right of use (IRU) basis or leased to any customer other than an international common carrier authorized by the Commission to provide U.S. international common carrier services. Compare FY 1994 Order at 5367. As provided in the FY 1995 fee schedule, 64 Kbps circuits or their equivalent will be assessed a fee. Equivalent circuits include the 64 Kbps circuit equivalent of larger bit stream circuits. For example, the 64 Kbps circuit equivalent of a 2.048 Mbps circuit is thirty 64 Kbps circuits. Analog circuits such as 3 and 4 KHz circuits used for international service are also included as 64 Kbps circuits. However, circuits derived from 64 Kbps circuits by the use of digital circuit multiplication systems are not equivalent 64 Kbps circuits. Such circuits are not subject to fees. Only the 64 Kbps circuit from which they have been derived will be subject to payment of a fee.

116. In the Notice, we estimated the volume of active 64 Kbps circuits or equivalent to be 62,000. AT&T, supported by Sprint, contends that our estimate of the number of bearer circuits subject to the fee was low. We have re-examined our estimate of the number of bearer circuits subject to a fee as of October 1, 1994. Based on this re-examination, we have revised the number of bearer circuits to 125,000. The FY 1995 revenue requirement for this service is $500,000. Dividing the revenue requirement for this service by the number of active bearer circuits results in a fee of $4.00 per circuit.

117. For purposes of calculating equivalent units subject to the bearer circuit fee, we will assess fees as follows:

Analog Television Channel Size in MHz	No. of equivalent 64 Kbps Circuits
36	630
24	288
18	240

See Appendix G. for a description of the development of the fees for international bearer circuits; see also Guidelines, Appendix H at ¶41.

g. Inter-Exchange and Local Exchange Carriers, Competitive Access Providers, Pay Telephone Providers, and other Non-Mobile Providers of Interstate Service

118. Inter-Exchange Carriers (long distance telephone companies) and Local Exchange Carriers (local telephone operating companies) provide commercial and private residential telephone service.

119. In the Notice, we proposed to require a regulatory fee payment from inter-exchange carriers (IXLs), local exchange carriers (LECs), and competitive access providers (CAPs), consistent with our FY 1994 fee schedule. Also, we proposed to add to the schedule all domestic and international carriers that provide operator services, WATS, 800, 900, telex, telegraph, video, other switched services, interstate access, special access, and alternative access services. We stated that the fee requirement would apply to carriers using their own facilities or reselling facilities and services of other carriers or telephone holding companies, including companies other than traditional telephone companies that provide interstate access service to long distance companies and other customers.

120. In addition, we proposed to modify our methodology for assessing fees upon these carriers generally, including CAPs and resellers, by basing the fee upon the number of customer units, i.e., the number of users of a service. As in FY 1994, inter-exchange and local exchange carriers would be required to calculate their total fee payments based upon their total number of presubscribed lines (PSLs). In the alternative, we proposed to assess fees on providers of interstate services based on their minutes of interstate service in calendar year 1994. For each methodology, we proposed the use of certain equivalency assumptions in recognition that several categories of service providers would be unable to calculate their fees based on either PSLs or minutes of use (MOUs). Moreover, we invited interested parties to file comments proposing "the most efficient and equitable method for assessment of fees." See Notice at paragraph 58.

121. Numerous parties submitted comments opposing our proposal to add resellers and other users of the interstate network to the fee schedule.[32] The parties argue that Section 9 authorizes us to add services to the Regulatory Fee Schedule only if a regulation or change in the law so dictates. See 47 U.S.C. § 159(b)(3). Thus, in the view of these parties, no such rule

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[32] Parties opposed to adding resellers to the Regulatory Fee Schedule include America's Carriers Telecommunications Association (ACTA), Airtouch, Avis Rent A Car (AVIS), Competitive Telecommunications Association (Comptel), GTE Service Corporation (GTE), Hertz Technologies, Inc., LDDS Communications, Inc., and the Telecommunications Resellers Association (TRA). The American Public Communication Counsel (APCC), a trade association consisting, in part, of pay telephone operators, while not opposing inclusion of independent pay phone (IPP) operators in the fee schedule, argues that the fee for OPPs must be reasonable, fairly allocated fee and imposed on all payphones, including payphones operated by the local exchange carriers (LECs).

making or change in the law has occurred since the enactment of Section 9 to justify the addition of resellers to the fee schedule. Further, the interested parties contend that the Regulatory Fee Schedule precludes inclusion of resellers because it specifically limits the fees to providers of "presubscribed lines," and resellers do not provide presubscribed lines. See 47 U.S.C. § 9(g). Finally, the commenters argue that the imposition of a fee on resellers is contrary to our procompetitive and deregulatory policies, particularly since resellers, in their view, are subject to minimal regulation and derive little benefit from our regulation.

122. We disagree with the argument that our regulation of resellers is so minimal that these carriers should not be subject to a fee requirement. As we observed in the Notice, we required facilities based carriers to remove any restrictions on the resale and sharing of private line facilities and services and our oversight of the interstate communications market has fostered the growth of the strong resale market that currently exists.[33] Nothing that the parties have presented persuades us that their regulation is so minimal or their benefits so attenuated that these carriers should not be subject to a fee. Resellers are subject to tariffing requirements and are obligated to provide their services pursuant to just, reasonable and nondiscriminatory rates and practices in accordance with Sections 201 and 202 of the Act. Their rates and services are also subject to our review pursuant Section 208 of the Act.

123. In addition, we reject the argument that Section 9 requires a rule making other than the instant proceeding to add services to the Regulatory Fee Schedule. Nor do we believe that the fee schedule's provision that we assess fees for FY 1994 based upon PSLs amounts to a congressional directive that we limit our assessment of fees to interstate service providers capable of calculating their fees by a PSL count. 47 U.S.C. § 159(g). Section 9's legislative history establishes that we "are permitted through a rule making, to make changes to the fee schedule, including adding, deleting, or reclassifying services

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[33] See Resale and Shared Use of Common Carrier Services, 60 FCC Rcd 2d 588, 600 (1977)' (In allowing resellers to obtain lines from facilities based carriers, we declared that "'[resale carriers] ...', whether they be brokers or value added carriers ..., are equally subject to the requirements of Title II of the Communications Act."); see also American Tel. and Tel. Co. v. F.C.C., 978 F.2d 727, 735 (D.C. Circuit 1992) (finding that resellers and other nondominant carriers must file tariffs and offer their services pursuant to just, reasonable and nondiscriminatory rates and practices pursuant to Sections 201 and 202 of the Act.) Resellers currently are subject to filing fees pursuant to Section 8 of the Communications Act.

when the Commission determines that such changes are necessary to ensure such fees are reasonably related to the benefits provided to the payor of the fee by the Commission's activities."[34] Thus, our inclusion in the Regulatory Fee Schedule of resellers and other carriers using the interstate network is fully consistent with Section 9's provisions.

124. Many common carriers, including inter-exchange carriers, local exchange carriers, resellers, CAPs, and pay telephone operators filed comments addressing our proposal to revise our methodology for assessing fees based on customers units or, in the alternative, on MOUs. In addition, several commenters responded to our invitation to propose a method for assessing regulatory fees on common carriers by urging that we assess the fee based upon the gross revenues of the subject carriers.

125. In describing our proposed methodology, we stated that fees would be assessed based upon the number of customer units. We defined customer units for LECs and pre-selected IXCs as their total number of presubscribed lines, as defined by Section 69.116 of the rules. 47 C.F.R. § 69.116. For any other switched services, such as MTS, WATS, 800, 900 and operator service not billed to the number from which the call is placed, the number of units would equal the number of billing accounts less those already associated with those presubscribed lines reported by the carrier. For non-switched service providers, including service provided by CAPs, special access, and private (alternative access) line providers, the number of customer units would be based on the total capacity provided to customers measured as voice equivalent lines. For this purpose, 4 Khz or 64 Kbps equivalents would equate to one voice equivalent line. We proposed to assess the fee for pay phone operators by their number of units based upon the number of pay telephones used for pay telephone compensation.

126. The Notice's alternative fee structure based fees on a carrier's number of MOUs of interstate service in calendar year 1994. For access service provided by local exchange carriers, interstate minutes would equal the number of originating and terminating access minutes. For interstate service subject to access charges, the number of minutes would equal the number of originating and terminating access minutes. For other interstate services billed based on timed usage, the number of minutes would equal the number of billed minutes. For interstate services not billed on the basis of timed usage, minutes would be estimated as the billed revenue in dollars times ten.

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[34] Conference Report H. Rept. No. 213, 103d Cong., 1st Sess. 499 (1993).

127. Several commenters support our proposed assessment of carrier fees based upon customer units.[35] These parties contend that the customer unit methodology parallels the existing fee structure, under which LECs have planned and budgeted for their payments of the fees, and that a count of presubscribed access lines represents both an equitable measure of a carrier's relative market presence and a relatively stable measure. Also, they favor the proposal because its methodology forms the basis for calculation of Universal Service Fund requirements, familiar to the carriers, and because its calculations are simple and straightforward.

128. Other parties disagree that the customer unit approach is the methodology best suited to assessing regulatory fees.[36] These parties claim that allocation mechanisms based on PSLs do not accurately reflect the various interexchange carriers' shares of switched services. According to AT&T, our FY 1994 PSL methodology failed to assess fees upon inter-exchange carrier's in a nondiscriminatory manner because AT&T's customers average significantly less usage and per line revenue than customers of other IXCs and, therefore, discourages its competitors from seeking out and serving low volume users. Further, several carriers state that our proposed equivalency ratios for carriers that cannot calculate their fees by PSLs do not accurately reflect the participation of these carriers in the market.

129. NYNEX and America's Carriers Telecommunications Association (ACTA) support assessing the fee for carriers based on MOUs, as described in the Notice's alternative methodology. NYNEX asserts that the MOU approach better reflects the relative size of each carrier's customer base and its regulatory benefits than do customer units and, thus, would ensure that every carrier pays an equitable share of regulatory costs. Further, NYNEX contends that MOU data is easy to administer and verify and avoids unnecessary reliance on assumptions, calculations and projections. ACTA favors adoption of the MOU approach if

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[35] Commenters supporting assessing the fee by customer units include Bell Atlantic, MCI Telecommunications Corporation (MCI) and Sprint Corporation (Sprint). In addition, Allnet Communications Services, Inc. (Allnet), Avis, Hertz and TRA support assessing the fee by customer units if resellers are added to the schedule.

[36] Parties opposing assessing the fee by customer units include AT&T, LDDS, MFS, SBC and US West. Comptel opposes levying the fee on operator service providers (OSPs) based upon "billing accounts" because, in its view, the methodology proposed in the Notice would result in a fee for OSPs higher than the fee imposed on carriers for which fees are based upon the number of presubscribed lines.

resellers are subjected to the fee because, in its view, assessement of the fee by MOUs has the advantages of lower administrative costs and resource burdens since calculation of the fee does not depend on a line count by the LECs or NECA.

130. Several carriers oppose reliance on MOUs due to the large fluctuations in minutes of use which may lead to anomalies that distort the measure of a company's market presence and risk imposing an unfair burden of fees or a windfall in reduced fees for reasons other than a carrier's actual market size.[37] Opponents points out that many LEC services, such as Special Access facilities sold to inter-exchange carriers, are not measured on a minutes of use basis. In this connection, the parties contend that a methodology based on MOUs would be difficult to administer because it relies on complex assumptions in order to calculate the fees for services that are not billed on a time usage basis. Several parties contend that our proposal to rely upon network usage assumptions in assessing fees for competitive access providers will result in excessive and unjustified fees from these carriers.

131. In response to our invitation to propose efficient and equitable methodologies for assessing the carrier fee several commenters support adoption of a methodology based upon a carrier's gross interstate revenues.[38] These parties contend that fees based on a multiplier of each carrier's total gross interstate revenues would result in a fair allocation of costs in as competitively neutral a manner as possible. Further, they argue a gross revenue assessment methodology permits dispensing with assumptions or projections, necessary to the implementation of the customer unit and MOU methodologies. Moreover, they state that gross interstate revenues are widely reported and are readily verifiable by reference to corporate tax filings.

132. Several parties support a revenue-based fee calculation because it would permit the assessment of fees on the basis of data that could be compiled by carriers in a manner similar to our methodology for funding the Telecommunications Relay Service (TRS). NECA states that the TRS model would ensure that the

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[37] Parties opposed to assessing the fee based upon MOUs include Alltel, AT&T, Bell Atlantic, LDDS, MCI, MFS, National Exchange Carriers Association (NECA), Pacific Bell and Nevada Bell, and SBC.

[38] Parties that support reliance on a methodology to assess the fee based on gross interstate revenues include Alltel, Ameritech, AT&T, Cablevision Lightpath, GTE Service Corporation (GTE), MFS, NECA, National Telephone Cooperative Association (NTCA), SBC, Time Warner, U S West, and Teleport Communications Group Inc. (Teleport).

carriers subject to the fee would be equitably charged through use of an interstate revenue basis, easily administered and based on externally verifiable data. Further, according to NECA, the TRS mechanism would permit the allocation of fees to special access services without administrative difficulty because exchange carriers could base their fees on submitted TRS data. Resellers supporting assessment of the fee by gross revenues urge that we permit carriers to reduce their fee payments by the amount that they pay to other carriers for facilities and services in order to avoid double payment of the fee.

133. MCI and Sprint oppose assessing fees based on gross interstate revenues. MCI contends that the revenue method is flawed because it is the byproduct of a carrier's minutes of use and, therefore, may fluctuate greatly and be unrepresentative of a carrier's market presence. For its part, Sprint contends that the term "gross revenues" is open to several definitions and that revenue figures are more subject to revision than presubscribed line counts that could necessitate delay, or shortfalls, in the collection of fees.

134. After considering the arguments of the many commenters in this proceeding, we have decided to adopt a gross revenues methodology for assessing carrier fees. A revenue based allocation will effectively spread the cost recovery burden of the fee requirement in proportion to the benefits realized by those carriers subject to our jurisdiction. We find that assessing fees by interstate gross revenues is reasonably related to the benefits of the regulation that these carriers receive. Properly administered, a gross revenues methodology will ease administrative burdens of carriers in calculating fee payments, provide reliable and verifiable information upon which to calculate the fee and equitably distribute the fee requirement in a competitively neutral manner. Interstate revenues are widely reported and more easily verifiable than customer units or MOUs and, therefore, avoid the need for burdensome reporting requirements. A revenue based methodology avoids the calculation problems inherent in both the customer unit and minutes of use alternative and permits the assessment of fees without any need to rely upon assumptions and projections.

135. We will require non-mobile common carriers, including resellers, that provide interstate telecommunications services to calculate their fee payments based upon their proportionate share of gross interstate revenues using the methodology that we have adopted for carriers to calculate their contributions to the TRS fund.[39] Interstate revenue data is already reported to NECA due

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[39] See Telecommunications Relay Services, 8 FCC Rcd 5300 (1993).

to its role as administrator of the TRS fund.[40] In order to avoid imposing a double payment burden on resellers, we will permit interexchange carriers to subtract from their reported gross interstate revenues any payments made to underlying carriers for telecommunications facilities or services. This would include payments for interstate access services. It should be emphasized that the assessment and collection of regulatory fees is a Commission activity, totally separate and apart from TRS funding. However, we intend that carriers subject to payment of regulatory fees calculate and file their fees consistent with the TRS methodology, as modified by Public Notice to be published in the Federal Register. The FY 1995 revenue requirement is $46,310,880, and the total TRS revenue is estimated to be $52,626,000,000, resulting in a fee of 0.00088 per TRS revenue dollar.[41] See Guidelines, Appendix H at ¶¶42-44.

136. On October 7, 1994, the Common Carrier Bureau, on its own motion, issued a waiver permitting price cap regulated common carriers to treat the initial assessment of regulatory fees and any subsequent changes in the level of the fees paid, either as a result of Commission modification of the fee schedule, or due to increases or decreases in the number of presubscribed or access lines on which the fee must be paid, as an exogenous cost by making appropriate adjustments to their price cap indexes. Price Cap Treatment of Regulatory Fees Imposed by Section 9 of the Act, 9 FCC Rcd 6060 (Com. Car. Bur., 1994), Erratum, 9 FCC Rcd 6487 (Com. Car. Bur., 1994). MCI Telecommunications Inc. (MCI) filed a petition for reconsideration of that decision on November 7, 1994. In that petition, as well as in comments in this proceeding, MCI requests that the Commission reverse the Bureau regulatory fees order and require LECs to file for a waiver of the exogenous cost rules. In support of its petition, MCI alleges that the Common Carrier Bureau failed to follow Commission procedures requiring the LECs to file for waivers of the exogenous cost rules, shifted the burden of proof from the

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[40] Pursuant to our FY 1994 Order, NECA acted as our payment agent for approximately 800 exchange carriers who elected to make their fee payments through NECA. We are instructing the Managing Director to determine what, if any, assistance NECA may provide in the collection of regulatory fees for FY 1995.

[41] For FY 1995, we are limiting the use of gross revenues to assess fees on providers of communications services, including resellers, using the interstate network. It is our intention to monitor and analyze the reliance on gross revenues, and if our experience shows that this methodology results in an equitable and readily administered fee structure, we will consider reliance on gross revenues as the mechanism for determining fees for other carriers, including mobile carriers, for FY 1996 and thereafter.

LECS, lacked a record on which to make a decision, and prejudged the petitions for reconsideration that were filed on the original regulatory fees order. Several LECs opposed the MCI petition.

137. MCI has not presented any evidence that would undermine the Bureau's conclusion that the Section 9 regulatory fees meet our criteria for exogenous cost treatment. As explained in the Bureau order, regulatory fees imposed pursuant to Section 9 of the Act are a legislatively-imposed charge on telecommunications common carriers, the imposition of which is beyond the control of the carrier. Moreover, MCI has not shown that the grant of the waiver sua sponte violates any Commission rules or procedures. In fact, Section 1.3 of the Commission's rules specifically authorizes grant of waivers sua sponte. Accordingly, MCI's petition seeking reconsideration of the Bureau's order is denied. In addition, we take this opportunity to clarify that carriers subject to price caps may file tariffs reflecting the effects of Commission-mandated changes in the regulatory fee schedule after the annual tariff filing is due. See LEC Price Cap Performance Review at para. 317.

B. Procedures for Payment of Regulatory Fees

138. Generally, as proposed in the Notice, we are retaining the procedures established in our FY 94 Order for the payment of regulatory fees. Consistent with Section 9(f) of the Act, we are again providing for three categories of fee payments, based upon the category of service for which the fee payment is due and the amount of the fee to be paid. 47 U.S.C. § 159(f). The fee categories are 1) "standard" fees, 2) "large" fees, and 3) "small" fees.

1. Annual Payments of Standard Fees

139. Standard fees are those regulatory fees that are payable in full on an annual basis. Payers of standard fees are not required to make advance payments for their full license term. All standard fees are payable in full on the date we establish for payment of fees in their regulatory fee category. The payment dates for each regulatory fee category will be announced by public notice in the Federal Register following the termination of this proceeding.

2. Installment Payments for Large Fees

140. Our Notice proposed that regulatees in any category of service with a payment due of $12,000 or greater would be eligible to pay their fees in two installments. However, as a practical matter since the time for collecting fees will be extremely limited, regulatees subject to a fee will be required to submit their fees on a single date. In most instances, the requirement to submit a single payment should work no hardship

since regulatees will have had no less than ninety days notice of the amount of their fee requirement and the use of these funds throughout substantially the entire fiscal year.[42]

3. Advance Payments of Small Fees

141. As proposed in the Notice, we will again treat regulatory fee payments by certain radio licensees as small fees subject to advance payments. Advance payments will be required from licensees of those services that we decided would be subject to advance payments in our FY 1994 Order.[43] Payers of advance fees will submit the entire fee due for the full term of their licenses when filing their initial, reinstatement or renewal application. Those subject to the fee must pay the amount due for the current fiscal year multiplied by the number of years in the term of their requested license. The payor would not be subject to the payment of a new fee until filing an application for renewal or reinstatement of the license. Thus, payment for the full license term would be made based upon the regulatory fee applicable at the time the application is filed. Refunds will not be made in cases where the fee for a service is lower for FY 1995 than the fee paid under the FY 1994 fee schedule. The Commission will announce by public notice in the Federal Register the effective date for the payment of small fees pursuant to the FY 1995 fee schedule.

4. Timing of Standard Fee Calculations and Payment Dates.

142. As noted, the date for payment of standard fees will be published in the Federal Register. For licensees, permittees and holders of other authorizations in the Common Carrier, Mass Media, and Cable Services, whose fees are not based on a subscriber, unit or circuit count, fees should be submitted for any authorization held as of October 1, 1994. As in our FY 1994 Order, we are establishing October 1 as the date to be used for calculating standard fees since it is the first day of the fiscal year and, therefore, current licensees subject to the fees would have benefited from our regulatory activities from the beginning of the period covered by the payment.

143. In the case of regulatees whose fees are based upon a subscriber, unit or circuit count, the number of a regulatee's,

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[42] Section 9(b)(4)(B) provides for notification to Congress ninety days before permitted amendments to the Schedule of Regulatory Fees become effective. 47 U.S.C. § 159(b)(4)(B).

[43] Advance payments are required from applicants for new, renewal and reinstatement licenses in services which pay annual fees of $6 or less and are listed in the Wireless Radio category of the Regulatory Fee Schedule. See Appendix B.